



Department of Justice

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**JUSTICE DEPARTMENT RECOMMENDS APPROVAL OF BELL SOUTH'S
APPLICATION TO PROVIDE LONG DISTANCE SERVICES
IN FLORIDA AND TENNESSEE**

Additional Progress on BellSouth's OSS and Performance Measurements Cited

WASHINGTON, D.C. - The Department of Justice today recommended that the Federal Communications Commission (FCC) approve BellSouth's application to provide long distance services in Florida and Tennessee. As in previous evaluations of BellSouth applications, the Department's evaluation focuses on the management of changes to BellSouth's operations support systems (OSS) and the measurements used to track the performance of those systems. The Department's evaluation recognizes that BellSouth has made additional progress in addressing issues previously raised by the Department, but identifies several areas of the process through which upgrades to OSS software are developed and prioritized that the FCC should continue to monitor.

"Conditions in the local telecommunications markets in Florida and Tennessee now appear favorable to fostering competition," said Charles A. James, Assistant Attorney General in charge of the Department's Antitrust Division. "Facilities-based competitors have made progress in penetrating the business markets in both states."

The Department's evaluation also addresses BellSouth's policy on correcting errors found in the metrics used to measure its commercial performance, stating that BellSouth should explain the policy and its impact. The Department recommended that the Commission examine

the policy carefully to ensure that it does not conceal inaccuracies in BellSouth's performance reporting.

The Department provided its competitive analysis in the evaluation of BellSouth's application to provide long distance services in Florida and Tennessee under Section 271 of the Telecommunications Act of 1996.

Since the break-up of the integrated Bell system as part of the AT&T divestiture, the independent Bell Operating Companies, or BOCs, have been barred from providing long distance services in their respective regions, first as part of the divestiture decree, and now under the terms of the Telecommunications Act. Under Section 271 of the Act, a BOC, such as BellSouth, may not provide in-region long distance services until it demonstrates to the FCC that it has met a variety of legal requirements designed to open the local telecommunications markets in a particular state to competition.

In considering whether to approve a BOC's application for long distance authority in a particular state, the FCC must consult with the Department of Justice and give "substantial weight" to its assessment of competitive conditions and whether the BOC should be allowed to provide in-region long distance services.

BellSouth filed its application with the FCC on September 20, 2002. Under the terms of the Act, the FCC must approve or deny the application within 90 days. A copy of the Department's evaluation will be available at:

<http://www.usdoj.gov/atr/public/comments/sec271/sec271.htm>.

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